

Empanelment of Consultants to render  
Financial Engineering (FE) /Transaction Advisory  
(TA)/ Services for the implementation of Public  
Private Partnership and other types of Projects  
in the Maharashtra State.

**Government Of Maharashtra**  
General Administration Department,  
Government Resolution No. PPP 2014/C.R.19 /SP  
Madam Kama Road, Hutatma Rajguru Chowk,  
Mantralaya, Mumbai 400032.  
Date :- 21 August, 2014.

**Ref :-** i) MUINFRA letter no. MUIDEL/TAFE/Mar-2014/980,date 28.3.2014

**Introduction**

The Government of Maharashtra has announced several initiatives to create an environment conducive for investment in infrastructure. Many initiatives are being taken to improve the Infrastructure in the State and at the Local Bodies level. While giving thrust to implement the projects it is necessary to explore all possible financing options. It has been observed that there is a dearth of expertise at the Departmental and ULBs level as regards structuring the projects, identifying the best mode of financing these projects, approaching financing agencies and carrying out relevant transactions.

Accordingly, the Government of Maharashtra established three panels of Transaction Advisors (TA) / Financial Engineers (FE) vide G.R. No. MVP 2008/C.R.91/SP., dated 24th November, 2009 for supporting the State Government and all its agencies in implementing PPP and other types of projects of different sizes in the State.

The panels were established for a term of three years from the date of issue of Government Resolution, i.e., until 23rd November, 2012. Subsequently, the State Government accorded a six months extension, i.e. till 23rd May 2013, to the panels vide its Resolution No. MVP 2008/C.R.91/SP., dated 1st March, 2013. Simultaneously, the Maharashtra Urban Infrastructure Development Company Ltd. (MUINFRA), Mumbai was requested to carry out the Bid Process Management for preparing fresh panel of pre-qualified TA/ FE. MUINFRA has submitted its recommendation regarding panel of magnified TA/FE vide its letter under reference. The issue of according approval to the panel recommended by MUINFRA was under the consideration of Government.

**2. Government Resolution :-**

The Government of Maharashtra is pleased to accord approval to Empanelment of Consultants as mentioned below to render Transaction Advisory and Financial Engineering Services for the implementation of Public Private Partnership (PPP) and other types of Projects in the State.

**Panel-A** – The following Advisors on this panel would be providing services for projects costing any amount

1. CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
2. Deloitte in consortium with M.V. Kini & Co.

3. Feedback Infra Private Ltd. in consortium with Kochhar & Co.
4. PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
5. RITES Limited in consortium with Suri & Co.
6. SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
7. TUSPL in consortium with M/s Link Legal

**Panel B** – The Advisors on this panel would be providing services for projects generally costing upto Rs. 250 Crores.

1. aXYKno Capital Services Ltd. in consortium with JSA
2. M/s Capital Fortune Pvt. Ltd. in consortium with Tatva Legal and MBR Associates
3. CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
4. Deloitte in consortium with M.V. Kini & Co.
5. Feedback Infra Private Ltd. in consortium with Kochhar & Co.
6. ICRA Management Consulting Services Ltd. in consortium with Jyoti Sagar Associates
7. IDC Karnataka Ltd. in consortium with Rajagopal & Badri Naraynan CA and Singhania & Partners
8. PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
9. RITES Limited in consortium with Suri & Co.
10. SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
11. TUSPL in consortium with M/s Link Legal

(Names under Panel A have been repeated to avoid any confusion whatsoever)

3. The Panels will last for a term of three years from the date of issue of this Government Resolution or until further orders of the State Government in this regard, whichever is later.
4. The salient features of the above scheme are mentioned below:-
  - i) State Government Departments/ Agencies/ Semi-Government Agencies and Local bodies who have decided to develop and implement projects and who are seeking transaction advisers to assist them with financial engineering of the project and implementation of the project as per the selected financing option, shall call quotations from all the panelist.
  - ii) The panels may be used for retaining advisers prior to the decision to proceed with a PPP transaction.
  - iii) The services being sought from the consultant will be set out in detail in the Terms of Reference for the specific assignment.
  - iv) The agencies may stipulate that the TA/FEs invited to submit their financial bids have the requisite expertise or relevant experience to do the advisory services for the particular project, by setting same eligibility criteria in the RFP that is sent to all the Empanelled Consultants.
  - v) The TA/FE will be appointed for a specific assignment on the basis of their financial proposal, against a defined scope of work. The task of evaluation of bids received in respect of a project shall not be given to a consultant from the Panel who has been appointed for structuring the said project and preparation of bid documents in respect thereof. However, the appointed consultant may help any other consultant or Bid Committee, formed for this purpose, in evaluation.

- vi) The TA/FE selected as per the procedure outlined above, for any assignment will contract with the agency concerned to provide the required services.
- vii) The services being sought from the TA/FE will be set out in detail in Terms of Reference for the specific assignment. It is anticipated that they may include:
- Interaction with the market, or conduct of formal market soundings, to confirm decisions on scope, timing and packaging of the transaction
  - Develop the Project with Financial Feasibility Reports and financial engineering.
  - Preparation of Loan Application for securing loan/financial assistance from national / international / multi-lateral funding Agencies.
  - Assessment of financial health and repayment capacity, provision of financing strategy and action plan to improve financial performance and creditworthiness.
  - Preparation of bid documents including but not limited to the Request for Qualification, RFP and the Contract for Services for PPP/Non PPP transactions.
  - Preparation of supporting information to assist bidders in preparation of their bids and wherever relevant, creation of a data room and management of access to the data room
  - Support to communication with the market and interaction with the market, including managing and responding to requests for clarification
  - Monitoring and advice on tender performance against any conditions precedent to financial close, and
  - Management of other advisory inputs and overall management of the transaction team, to ensure a successful conclusion.
- viii) The TA/FEs will not be required to provide technical advice. Where specialist technical advice is required, technical advisers will be separately procured.
5. The TA/FEs whose quotation is accepted, is directed to send all submissions to the client under the signature of team leader only, with a brief summary of their report in the body of the letter being submitted
6. The detailed guidelines on how to use this Panel are annexed herewith, as annexure –A and sample RFP to invite proposals from the Panels is as annexure –B.
7. This Government Resolution is available on the website of Government of Maharashtra [www.maharashtra.gov.in](http://www.maharashtra.gov.in) and its Computer Code No. is 201408211640204507

By order and in the name of Governor of Maharashtra,

(P.R.Harchande.)  
Deputy secretary to Government

To,

- 1) The Secretary to the Governor
- 2) The Principal Secretary to the Chief Minister
- 3) The Secretary to the Deputy Chief Minister
- 4) The Chief Secretary, Government of Maharashtra
- 5) All Addl. Chief Secretaries/Principal Secretaries/Secretaries, Mantralaya, Mumbai

- 6) CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
- 7) Deloitte in consortium with M.V. Kini & Co.
- 8) Feedback Infra Private Ltd. in consortium with Kochhar & Co.
- 9) PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
- 10) RITES Limited in consortium with Suri & Co.
- 11) SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
- 12) TUSPL in consortium with M/s Link Legal
- 13) aXYKno Capital Services Ltd. in consortium with JSA
- 14) M/s Capital Fortune Pvt. Ltd. in consortium with Tatva Legal and MBR Associates
- 15) CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
- 16) Deloitte in consortium with M.V. Kini & Co.
- 17) Feedback Infra Private Ltd. in consortium with Kochhar & Co.
- 18) ICRA Management Consulting Services Ltd. in consortium with Jyoti Sagar Associates
- 19) IDC Karnataka Ltd. in consortium with Rajagopal & Badri Naraynan CA and Singhania & Partners
- 20) PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
- 21) RITES Limited in consortium with Suri & Co.
- 22) SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
- 23) TUSPL in consortium with M/s Link Legal
- 24) The select file (SP)

# A Guide to Use the Panel of Transaction Advisors (TA)/ Financial Engineers (FE)

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5.	Contact Us .....	<b>Error! Bookmark not defined.</b>

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## 1. Introduction

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The Government of Maharashtra has announced several initiatives to create an environment conducive for investment in infrastructure. Many initiatives are being taken to improve the Infrastructure in the State and at the Local Bodies level as well. While giving thrust to implement the projects it is necessary to explore all possible financing options. It has been observed that there is a dearth of expertise at the Departmental and ULBs level as regards structuring the projects, identifying the best mode of financing these, approaching financing agencies and carrying out relevant transactions. It necessitated access to appropriate advisory support for the implementation of PPP and other financing transactions for all agencies at the State level and at the level of the local bodies and state undertakings.

Accordingly, the Government of Maharashtra established three panels of Transaction Advisors (TA) / Financial Engineers (FE) vide G.R. No. MVP 2008/C.R.91/SP., dated 24th November, 2009 for supporting the State Government and all its agencies in implementing PPP and other types of projects of different sizes in the State.

The panels were established for a term of three years from the date of issue of this Government Resolution, i.e., until 23rd November, 2012. Subsequently, the State Government accorded a six months extension, i.e. till 23rd May 2013, to the panels vide its Resolution No. MVP 2008/C.R.91/SP., dated 1st March, 2013.

The Government of Maharashtra has now renewed the panels of consultants as mentioned below to render Transaction Advisory and Financial Engineering Services for the implementation of Public Private Partnership (PPP) and other types of Projects in the State via two panels viz –

**Panel-A** – The following Advisors on this panel would be providing services for projects costing any amount

1. CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
2. Deloitte in consortium with M.V. Kini & Co.
3. Feedback Infra Private Ltd. in consortium with Kochhar & Co.
4. PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
5. RITES Limited in consortium with Suri & Co.
6. SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
7. TUSPL in consortium with M/s Link Legal

**Panel B** – The Advisors on this panel would be providing services for projects generally costing upto Rs. 250 Crores.

1. aXYKno Capital Services Ltd. in consortium with JSA
2. M/s Capital Fortune Pvt. Ltd. in consortium with Tatva Legal and MBR Associates
3. CRISIL Risk and Infrastructure Solutions Limited (CRIS) in consortium with J. Sagar Associates, Clarus Law Associates and PG Joshi & Co.
4. Deloitte in consortium with M.V. Kini & Co.
5. Feedback Infra Private Ltd. in consortium with Kochhar & Co.
6. ICRA Management Consulting Services Ltd. in consortium with Jyoti Sagar Associates
7. IDC Karnataka Ltd. in consortium with Rajagopal & Badri Naraynan CA and Singhania & Partners
8. PricewaterhouseCooper Pvt. Ltd. in consortium with Legacy Law Offices
9. RITES Limited in consortium with Suri & Co.
10. SBI Capital Markets Ltd. in consortium with Luthra & Luthra Law offices
11. TUSPL in consortium with M/s Link Legal

*(Names under Panel A have been repeated to avoid any confusion whatsoever)*

**1.1. The broad scheme of things is as follows:-**

- The Government has established two panels of Transaction Advisors who in its assessment are the most suitable for providing the above mentioned transaction advisory services vide G.R.no. **PPP 2014/Cr-19/spl.proj.dtd.**
- The firms would be required to play the role of Financial Engineer including the support for the transaction services in each mode of financing, be it securing loan from the national, international or multi-lateral financial institutions or implementation on the PPP basis.
- These panels are available to all state departments, various government/semi-government agencies and local bodies.
- The consultants on these panels will be used for transactions where a single transaction adviser will suffice, rather than separate financial and legal advisers.
- The State Government currently anticipates that transactions may arise in various sectors like urban waste management, water supply, public transport, ports, airports, urban infrastructure including buildings & city roads, bridges, highways, regulation of land-use, energy, tourism, education, health etc. However the use of panel will not be restricted to these sectors.
- The panel members will provide both commercial/financial and legal advisory services in support of project financing including the PPP transactions. Specialist technical advice related to the sector concerned will be separately procured.

The consultant from panels will be appointed for specific assignments on the basis of their financial proposal, against a defined scope of work. The panels will last for a term of three years, from the date of notification.

## 2. Role of the Panel

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### 1.1. Services required from the Transaction Advisors

The Transaction Advisors will be useful to the State Government Departments/ Agencies, Semi-Government Agencies, and local bodies who have decided to develop and implement projects and who are seeking transaction advisers to assist them with financial engineering of the project and implementation of the project as per the selected financing option. The services being sought from the TA/FE will be set out in detail in Terms of Reference for the specific assignment. It is anticipated that they may include:

- Interaction with the market, or conduct of formal market soundings, to confirm decisions on scope, timing and packaging of the transaction
- Develop the Project with Financial Feasibility Reports and financial engineering.
- Preparation of Loan Application for securing loan/financial assistance from national / international / multi-lateral funding Agencies.
- Assessment of financial health and repayment capacity, provision of financing strategy and action plan to improve financial performance and creditworthiness.
- Preparation of bid documents including but not limited to the Request for Qualification, RFP and the Contract for Services for PPP/Non PPP transactions.
- Preparation of supporting information to assist bidders in preparation of their bids and wherever relevant, creation of a data room and management of access to the data room
- Support to communication with the market and interaction with the market, including managing and responding to requests for clarification
- Monitoring and advice on tender performance against any conditions precedent to financial close, and
- Management of other advisory inputs and overall management of the transaction team, to ensure a successful conclusion.

TA/FEs will not be required to provide technical advice. Where specialist technical advice is required, technical advisers will be separately procured. The panel members will contract with agencies to provide the services. Panellists should be aware that agencies may have specific requirements, such as for particular levels of professional indemnity insurance, which would be required to be furnished on the request of concerned Agencies/ULBs etc.

The firms would be required to play the role of Financial Engineer including the support for transaction services in each mode of financing, be it securing loan from the State, national, international or multi-lateral financial institutions or implementation on the PPP basis.

### 1.2. The Panels are intended to:

- Streamline the tendering process for the engagement of Transaction Advisors for PPPs;
- Enable fast access to firms that have been pre-qualified against relevant criteria; and



- Ensure transparency and accountability through clear definition of the processes and the role and responsibilities of the agencies and the private sector.

**2.3** The Panels are valid for a period of three years. During this period the PPP Cell, GoM shall remove Advisors from the Panel if it concludes that they have not demonstrated adequate capability of providing the required services in a professional manner or add new firms, after due diligence.

### **3. Step by Step Guide**

The sponsoring Authorities are required to take following steps in determining T.A.

#### Step 1

### **3.1 Ensure the project meets the eligibility criteria**

**3.1.1** The Panels have been developed to provide pre-qualified Transaction Advisers for PPP and non-PPP projects.

Panels of pre-qualified Transaction Advisers (TA / FE) have been established at two levels according to the Capital Cost of the projects viz. Panel-A and Panel-B.

- The Transaction Advisers on Panel 'A' would be available to support the transaction services for the projects costing any amount.
- The Transaction Advisers on Panel 'B' would be available to support the transaction services for the projects costing upto Rs.250 crores.

**3.1.2** The Panels have sought integrated offers to provide both commercial/financial and legal advice. Larger projects will often use separate commercial/financial and legal advisers.

**3.1.3** The Panels can be used for PPP and Non-PPP projects.

**3.1.4** Prior to using the Panel, the Sponsoring Authority should confirm that the project under consideration meets the following conditions:

- A substantial capital investment in infrastructure will be required, to provide the services required under the project;
- Government facilitation is required, whether in purchasing the output, other direct financial support to the project's viability, or supporting inputs (such as land acquisition);
- The concessionaire will be required to finance the project, and recover the capital costs over time, through user charges/annuities. Typical concession period is likely to be 15 to 30 years, and in some cases longer. A contract where the contractor receives payment for the capital cost at an earlier stage (such as on successful commissioning) and not based on life-cycle costs that include maintenance for the period, is not eligible;
- For the Non-PPP projects, check if the project is eligible for lending under various schemes of GoM, GoI and multilateral agencies.

The reason for limiting the panels to projects of this kind is that they raise distinctive problems in their execution. The advisers have been selected on the

basis of their capability to advice on projects of this kind, and their experience in doing so.

## Step 2

### **3.2 Develop specific terms of reference for the assignment**

3.2.1 The panel is intended as a source of advisers to assist with implementation of a transaction. The panels are not intended for use for preliminary analysis, for instance to determine whether the project is viable, but can be used to determine whether it should be procured through a PPP contract or some other means.

3.2.2 The Terms of Reference for the assignment should relate to the successful execution of a transaction.

3.2.3 There are many different stages at which the Transaction Adviser could become involved, and many different ways of allocating the tasks between the Sponsoring Authority and the Transaction Adviser. The Transaction Adviser needs to understand clearly what tasks they will undertake and what resources they will require, in order to provide a financial offer for undertaking the transaction. The terms of reference should therefore set out both what needs to be done, and the supporting inputs that will be provided by the Sponsoring Authority (or other advisers) and the role that the Transaction Adviser needs to play.

3.2.4 An **indicative list of tasks** that could be considered in developing the Terms of Reference includes:

- Interaction with the market, or conduct of formal market soundings, to confirm decisions on scope, timing and packaging of the transaction;
- Preparation of bid documents including but not limited to the Request for Proposals and the Contract for Services (Concession Agreement);
- Preparation of supporting information to assist bidders in preparation of their bid, and where relevant creation of a data base and management of access to the data base;
- Support to communication with the market and interaction with the market, including managing and responding to requests for clarification;
- Preparation of an evaluation plan, assistance with evaluation and preparation of evaluation reports;
- Assistance in negotiation with one or more parties prior to contract award;
- Monitoring and advice on bidder performance against any conditions precedent to financial close; and
- Management of other advisory inputs, and overall management of the transaction team, to ensure a successful conclusion.
- Develop the Project with Financial Feasibility Reports and financial engineering.
- Preparation of Loan Application for securing loan/financial assistance from national/international/multi-lateral funding Agencies.

3.2.5 Panel members have been selected on the basis of their capability and experience in discharging a lead role in transactions and providing commercial, financial and legal advice. They are unlikely to have detailed technical or engineering expertise. Where further technical advice is required, the technical advisers should be procured separately. The Terms of Reference should not include any tasks (such as detailed design of the technical specifications) which need to be undertaken by technical specialists. Generally this task is left to the contracted private party.

### Step 3

#### **3.3 Determine which Panel member to approach**

3.3.1 First the List of Panel based on the estimated capital cost of the project would be decided. i.e. if the project is costing more than Rs 250 Crs then the Panel A would be used and if the project is costing up to Rs 250 Crs then Panel B would be used.

3.3.2 The firms/consortia on the Panels have been selected on the basis of their ability to provide transaction services. This is a skill which is applicable across all sectors. Where specialist technical expertise is required, this should be separately procured.

3.3.3 These sectors have been selected as ones in which PPP projects are likely to proceed. However, it is also intended that these Panels can be used for other sectors as PPP projects develop in those sectors.

### Step 4

#### **3.4 Seek a proposal and financial quote from the selected Panel members**

3.4.1 Having identified the project for PPP structuring, the Sponsoring Authority should Request for Proposal (RFP) from all or at least five members of the Panel. The RFP should clearly define the tasks to be undertaken by the Transaction Adviser, the key deliverables, the timelines and the evaluation criteria. The RFP should also provide background on the project, how it is currently being managed, and (where relevant) the role of other advisers. (A sample RFP is attached at annexure-B)

3.4.2 The proposal from the selected Panel member should provide a detailed description of the resources that will be applied to the assignment, especially adequately experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under the contract. The Panel member must agree to assign specific individuals to the key positions and that, once assigned to work under this contract, key personnel shall not be removed or replaced without written notice to the Authority. If key personnel are not available for work under this contract for a continuous period exceeding thirty (30) calendar days, or are expected to devote substantially less effort to the work than initially anticipated, the Panel member shall immediately notify the Sponsoring Authority, and shall, subject to the concurrence of the Sponsoring Authority, replace such personnel with personnel of substantially equal ability and qualifications.

3.4.3 In case the Panel member is a consortium, change in composition of the consortium shall not be permitted by the Sponsoring Authority.

3.4.4 In short, the RFP should contain the following:

- A letter of invitation;
- Information to consultants regarding the procedure for submission of proposal;
- Terms of Reference (ToR);
- List of key position whose CV and experience would be evaluated;
- Standard formats for financial proposal;
- Proposed contract terms;
- Procedure proposed to be followed for midterm review of the progress of the work and review of the final documents.

#### Step 5

### **3.5 Evaluate proposals from Panel members**

3.5.1 The Panel members have already been pre-qualified as capable of providing transaction services. A further technical offer and evaluation is not required. It is expected that appointment will be on the basis of a financial evaluation. However, the Sponsoring Authority, while evaluating should ensure that:

- i. The TA/FE has confirmed its acceptance of the deliverables; has confirmed its capability and resources to meet the deliverables within the timeline set out in the RFP;
- ii. The TA/FE has confirmed that they face No Conflict of Interest in undertaking the assignment. A conflict of interest will arise if the TA/FE, or its parent company, is advising potential bidders for the project, or if the Panel member or its parent company is considering a debt or equity involvement in the project or is required to rate the proposed project. It is therefore, recommended that the Sponsoring Authority appointing the TA/FE should ensure that such a conflict of interest does not exist or will arise.

#### Step 6

### **3.6 Sign a contract with the successful TA/FE**

3.6.1 Sponsoring Authorities using the Panels should note that they will be the party contracting with the TA/FE. PPP Cell, GAD, Government of Maharashtra has established the Panels, but will not be involved in any contracts between Sponsoring Authorities and the TA/FEs.

3.6.2 After the completion of process of calling quotations, the Sponsoring Authority must send a Letter of Appointment together with a Contract of Engagement, to the T.A. selected through the process.

3.6.3 The Sponsoring Authority will rely on the Transaction Adviser for managing the transaction up to the award of the contract. It is of great importance that the contract clearly sets out:

- The role and functions of the Transaction Adviser and of other parties, key deliverables, timelines, and accountabilities;
- The basis on which the Transaction Adviser will be paid;
- The reporting requirements to ensure the Sponsoring Authority is well informed on progress on the transaction, and on any issues arising; and

- Probity requirements, including the need to actively monitor any possible conflicts of interest, and the need to maintain project confidentiality, supported by a Deed of Confidentiality.

### Step 7

#### **3.7 Commencement of service**

3.7.1 After signing of the contract, the TA/FE can start work.

3.7.2 The Sponsoring Authority should ensure that a full and comprehensive briefing is provided to the Transaction Adviser to assist an early and effective start on the assignment.

3.7.3 The Sponsoring Authority should also ensure that all relevant parties, including project staff within the Sponsoring Authority itself, other institutions involved in the project, and other advisers working on the project are informed of the appointment of the TA/FE.

### Step 8

#### **3.8 Report performance to the PPP Cell, GoM contract manager**

3.8.1 The Panels have been established by PPP Cell, GoM to assist agencies in identifying and retaining Transaction Advisers. It is of importance that PPP Cell, GoM receives feedback on the performance of Panels' members to ensure the ongoing quality, and the effectiveness of the Panels arrangement.

3.8.2 Sponsoring Authorities should inform PPP Cell, GoM when a TA/FE is appointed to provide transaction services and provide a report on performance after completion of their assignment.